

National Republican Senatorial Committee

SENATOR ELIZABETH DOLE
CHAIR

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April 27, 2005

Ms. Maureen Benitz
Campaign Finance Analyst
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Reference: C00027466
12 Day Pre-General Report (10/1/04-10/13/04)

Dear Ms. Benitz:

A) Your letter indicates that the NRSC reported coordinated party expenditures on behalf of candidates in Alaska, North Carolina and Oklahoma that appear to exceed the limitations under 2 U.S.C. §441a(d). Please be advised, the NRSC listed some expenditures with respect to those states on the wrong line and that caused the appearance of excessive coordinated party expenditures. We have amended Schedules F supporting Line 25 and it should now be clear that the NRSC did not exceed the coordinated party expenditure limitations under 2 U.S.C. §441a(d).

B) The NRSC filed 48 Hour Notices during the period 10/1/04-10/13/04. Your letter indicates that Schedule E does not disclose a corresponding memo entry and payment for the independent expenditures made in opposition to Brad Carson, Betty Castor, Tony Knowles, Inez Tenenbaum, Erskine Bowles and Tom Daschle; and in support of Thomas A. Coburn. Please be advised, the NRSC paid for its independent expenditures in advance. Once the independent expenditures were publicly disseminated, the NRSC filed the appropriate 48 Hour Notices.

In order to provide a clearer picture of the relationship between the 48 Hour Notices filed during the period 10/1/04-10/13/04 and the vendor payments that correspond to those 48 Hour Notices, we have attached some additional documentation. Please refer to the following attachments: Oklahoma, Florida, Alaska, South Carolina, North Carolina and South Dakota. These supplemental documents list all of the 48 Hour Notices filed during 10/1/04-10/13/04 with respect to those particular states. The top portion of each document lists the 48 Hour Notice information and the bottom portion lists the NRSC payment information.

The NRSC reported an independent expenditure made in opposition to Betty Castor for \$224,850 and disclosed this information on a 48 Hour Notice, filed on 10/5/04. It has been brought to our attention by the vendor that the actual amount of the independent expenditure was \$222,100.

The NRSC reported an independent expenditure made in opposition to Tony Knowles for \$34,487.99 and disclosed this information on a 48 Hour Notice, filed on 10/13/04. It has been brought to our attention by the vendor that the actual amount of the independent expenditure was \$32,440.62.

C) Your letter indicates that the NRSC may have failed to file one or more of the required 48 Hour Notices during the 10/1/04-10/13/04 reporting period. You have identified eight payments

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National Republican Senatorial Committee

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by the NRSC that, in your opinion, do not appear to have a corresponding 48 Hour Notice. The NRSC is aware of the special reporting procedures for independent expenditures that aggregate \$10,000 or more during the calendar year up to and including the 20th day before an election. It is understood that the Commission must receive a report of the expenditures no later than 11:59pm Eastern Standard/Daylight Time of the second day following the date on which the independent expenditure meeting the \$10,000 threshold is publicly distributed or otherwise publicly disseminated. Please refer to the following explanations for the payments identified in your letter:

| Name of Payee | Date | Amount | Purpose | Candidate |
|----------------------------------|---------|-------------|---------------|-----------|
| 1) Stevens Reed Curcio & Potholm | 10/7/04 | \$630,000 | Advertising | OK Senate |
| 2) Stevens Reed Curcio & Potholm | 10/7/04 | \$1,120,625 | Advertising | SD Senate |
| 3) Creative Direct, LLC | 10/6/04 | \$286,000 | Direct Mail | FL Senate |
| 4) The Lukens Cook Co | 10/6/04 | \$180,000 | Direct Mail | CO Senate |
| 5) Feather Larson Synhorst | 10/6/04 | \$13,728 | Telemarketing | CO Senate |
| 6) Stevens Reed Curcio & Potholm | 10/8/04 | \$655,507 | Advertising | CO Senate |
| 7) Cross Roads Media | 10/8/04 | \$676,000 | Advertising | AK Senate |
| 8) Stevens Reed Curcio & Potholm | 10/8/04 | \$599,740 | Advertising | NC Senate |

- 1) The NRSC paid this vendor in advance for independent expenditures that were disseminated in a subsequent reporting period. Please see notices filed on 10/26/04.
- 2) The NRSC paid this vendor in advance for independent expenditures that were disseminated in a subsequent reporting period. Please see notices filed on 10/14/04, 10/22/04, 10/23/04, 10/26/04 and 10/28/04.
- 3) The NRSC paid this vendor in advance for independent expenditures that were disseminated in a subsequent reporting period. Please see notices filed on 10/20/04 and 10/22/04.
- 4) The NRSC paid this vendor in advance for independent expenditures that were disseminated in a subsequent reporting period. Please see notices filed on 10/16/04, 10/19/04, 10/22/04 and 10/26/04.
- 5) The NRSC paid this vendor in advance for independent expenditure that was disseminated in a subsequent reporting period. Please see notice filed on 10/20/04.
- 6) The NRSC filed two 48 Hour Notices on 10/13/04.
- 7) The NRSC filed two 48 Hour Notices on 10/13/04.
- 8) The NRSC filed two 48 Hour Notices on 10/13/04.

Please be advised, the NRSC paid for its independent expenditures in advance. Once the independent expenditures were publicly disseminated, the NRSC would file the appropriate notices. Therefore, the information contained on Schedule E supporting Line 24 for the reporting period will not mirror the information disclosed on the 48 Hour Notices. Once again, the NRSC sent money to vendors and the vendors used the appropriate portion of the funds to create, produce, distribute and air the independent expenditure communications. Shortly after the communications went public, the vendor would contact the NRSC and provide the information that would be needed to generate and file the 48 Hour Notices.

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We would like to bring to your attention that in order to maintain the independent nature of our independent expenditures, the NRSC paid its vendors in advance with lump sums of money. These advance payments covered the creative, production, distribution, airtime and agency fees of the independent expenditures. You will notice that the 48 Hour Notices filed do not equal the total amounts paid to the vendors on Line 24. We will of course make sure to report any refunds that we receive from the independent expenditure vendors.

Sincerely,



Mindy Anderson
Assistant Treasurer

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Oklahoma

48 Hour Notices filed during 10/1/04-10/13/04

| Vendor | | Amount | State | Date filed | Candidate Supported/Opposed |
|--------|-------------------------------|--------------|-------|------------|-----------------------------|
| 1a) | **Scott Howell & Company | \$354,550.00 | OK | 10/5/2004 | Brad Carson |
| 1b) | Stevens Reed Curcio & Potholm | \$141,392.00 | OK | 10/13/2004 | Brad Carson |
| 1c) | Creative Direct | \$47,845.82 | OK | 10/5/2004 | Tom Coburn |
| 1d) | Creative Direct | \$47,845.82 | OK | 10/8/2004 | Brad Carson |
| 1e) | Creative Direct | \$47,845.82 | OK | 10/12/2004 | Brad Carson |

Corresponding NRSC Vendor Payments (the payments have appeared on Reports filed by the NRSC in 2004)

| Vendor | | Amount | State | Date of NRSC payment |
|--------|-------------------------------|--------------|-------|----------------------|
| 1a) | Stevens Reed Curcio & Potholm | \$525,000.00 | OK | 9/17/2004 |
| 1a/b | Stevens Reed Curcio & Potholm | \$821,000.00 | OK | 9/30/2004 |
| 1c/d/e | Creative Direct | \$200,000.00 | OK | 10/4/2004 |

*The bottom portion of this attachment lists the payments made by the NRSC to vendors for the independent expenditures listed in the top portion of this attachment.

**Please note, the NRSC paid Stevens Reed Curcio & Potholm in advance. The vendor actually used Scott Howell & Company to execute the Independent Expenditure that was reported in the 48 Hour Notice filed on 10/5/04. We felt it would be appropriate to list the information of the vendor that was ultimately tasked with the independent expenditure.

48 Hour Notices filed during 10/1/04-10/13/04

| Vendor | Amount | State | Date filed | Candidate Supported/Opposed |
|-------------------------------------------------|--------------|-------|------------|-----------------------------|
| 2a) Stevens Reed Curcio & Potholm | \$224,850.00 | FL | 10/5/2004 | Betty Castor |
| ** Actual amount of the independent expenditure | | | | |
| | \$222,100.00 | | | |

Corresponding NRSC Vendor Payments (the payments have appeared on Reports filed by the NRSC in 2004)

| Vendor | Amount | State | Date of NRSC payment |
|-----------------------------------|--------------|-------|----------------------|
| 2a) Stevens Reed Curcio & Potholm | \$222,100.00 | FL | 10/1/2004 |

*The bottom portion of this attachment lists the payment made by the NRSC to the vendor for the independent expenditure listed in the top portion of this attachment.

**Stevens Reed Curcio & Potholm has informed the NRSC that the actual amount of the independent expenditure made in opposition to Betty Castor was \$222,100.

48 Hour Notices filed during 10/1/04-10/13/04

| Vendor | | Amount | State | Date filed | Candidate Supported/Opposed |
|------------------------------------------------|--------------------|--------------|-------|------------|-----------------------------|
| 3a) | The Lukens Company | \$34,487.99 | AK | 10/13/2004 | Tony Knowles |
| **Actual amount of the independent expenditure | | \$32,440.62 | | | |
| 3b) | Cross Roads Media | \$246,788.00 | AK | 10/13/2004 | Tony Knowles |
| 3c) | Cross Roads Media | \$30,824.00 | AK | 10/13/2004 | Tony Knowles |

Corresponding NRSC Vendor Payments (the payments have appeared on Reports filed by the NRSC in 2004)

| Vendor | | Amount | State | Date of NRSC payment |
|--------|--------------------|--------------|-------|----------------------|
| 3a) | The Lukens Company | \$160,000.00 | AK | 10/4/2005 |
| 3b/c | Cross Roads Media | \$676,000.00 | AK | 10/6/2004 |

*The bottom portion of this attachment lists the payments made by the NRSC to vendors for the independent expenditures listed in the top portion of this attachment

**The Lukens Company has informed the NRSC that the actual amount of the independent expenditure made in opposition to Tony Knowles was \$32,440.62.

South Carolina

48 Hour Notices filed during 10/1/04-10/13/04

| Vendor | Amount | State | Date filed | Candidate Supported/Opposed |
|-------------------------|--------------|-------|------------|-----------------------------|
| 4a) Stevens Reed Curcio | \$393,590.00 | SC | 10/7/2004 | Inez Tenenbaum |

Corresponding NRSC Vendor Payments (the payments have appeared on Reports filed by the NRSC in 2004)

| Vendor | Amount | State | Date of NRSC payment |
|-------------------------|----------------|-------|----------------------|
| 4a) Stevens Reed Curcio | \$1,216,800.00 | SC | 9/23/2004 |

*The bottom portion of this attachment lists the payment made by the NRSC to the vendor for the independent expenditures listed in the top portion of this attachment.

North Carolina

48 Hour Notices filed during 10/1/04-10/13/04

| Vendor | Amount | State | Date filed | Candidate Supported/Opposed |
|-------------------------|--------------|-------|------------|-----------------------------|
| 5a) Creative Direct | \$39,176.00 | NC | 10/13/2004 | Erskine Bowles |
| 5b) Stevens Reed Curcio | \$416,400.00 | NC | 10/13/2004 | Erskine Bowles |
| 5c) Stevens Reed Curcio | \$140,365.00 | NC | 10/13/2004 | Erskine Bowles |

Corresponding NRSC Vendor Payments (the payments have appeared on Reports filed by the NRSC in 2004)

| Vendor | Amount | State | Date of NRSC payment |
|--------------------------|--------------|-------|----------------------|
| 5a) Creative Direct | \$180,000.00 | NC | 10/4/2004 |
| 5b/c Stevens Reed Curcio | \$598,740.00 | NC | 10/8/2004 |

*The bottom portion of this attachment lists the payments made by the NRSC to vendors for the independent expenditures listed in the top portion of this attachment.

South Dakota

48 Hour Notices filed during 10/1/04-10/13/04

| | Vendor | Amount | State | Date filed | Candidate Supported/Opposed |
|-----|-------------------------------|--------------|-------|------------|-----------------------------|
| 6a) | Stevens Reed Curcio & Potholm | \$113,146.67 | SD | 10/22/2004 | Tom Daschle |
| 6b) | Stevens Reed Curcio & Potholm | \$113,146.67 | SD | 10/22/2004 | Tom Daschle |
| 6c) | Stevens Reed Curcio & Potholm | \$113,146.66 | SD | 10/22/2004 | Tom Daschle |
| 6d) | Stevens Reed Curcio & Potholm | \$317,143.00 | SD | 10/13/2004 | Tom Daschle |
| 6e) | Stevens Reed Curcio & Potholm | \$32,488.00 | SD | 10/13/2004 | Tom Daschle |

Corresponding NRSC Vendor Payments (the payments have appeared on Reports filed by the NRSC in 2004)

| | Vendor | Amount | State | Date of NRSC payment |
|----------|-------------------------------|--------------|-------|----------------------|
| 6a/b/c/d | Stevens Reed Curcio & Potholm | \$785,000.00 | SD | 9/17/2004 |
| 6d/e | Stevens Reed Curcio & Potholm | \$310,840.00 | SD | 10/1/2004 |

*The bottom portion of this attachment lists the payments made by the NRSC to vendors for the independent expenditures listed in the top portion of this attachment.

EMILY J. REYNOLDS
SECRETARY

PAMELA B. GAVIN
SUPERINTENDENT

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